THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI RAO INDERJIT SINGH): (a), (b) and (d) In May 2001, the defence sector was opened up to 100% for Indian private sector participation with FDI permissible up to 26%, both subject to licensing. A very large number of Indian private sector companies are already working with Defence Public Sector Undertakings and Ordnance Factories and supplying input materials to them. Providing access to the private sector in defence production introduces at element of competition so that defence industry as a whole upgrades and improves its functioning. This will also facilitate utilization of resources available both in the public and private sector to accelerate the pace of self-reliance in defence production.

(c) Capacity utilization of Ordnance Factories and Defence Public Sector Undertakings during last three years is indicated in the enclosed Statement.

Statement

Capacity utilisation of Ordnance Factories and Defence PSUs during the last three years

Year	2004-2005	2005-2006	2006-2007
DPSUs:			
HAL	95.00%	97.00%	101.00%
BEL	52.00%	59.00%	62.00%
BDL	44.00%	42.00%	37.00%
BEML	78.00%	87.50%	94.10%
MDL	75.86%	79.41%	93.43%
GSL	53.43%	65.91%	88.00%
GRSE	91.00%	92.80%	64.02%
MIDHANI	49.00%	44.52%	46.24%
OFB	74.29%	78.97%	76.11%

Separate identity of coast guard from Indian Navy

2060. SHRI S.M. LALJAN BASHA: Will the Minister of DEFENCE be pleased to state:

(a) whether the Coast Guard is embarking on a programme to create a separate identity from the Indian Navy;

(b) if so, whether any doctrine or tested strategy lies beneath this deliberate drift of the Coast Guard from the Indian Navy;

(c) whether officers from para-military forces will be taken on deputation by the Coast Guard in future;

(d) if not, in what manner will Coast Guard make a distinctive identity for itself; and

(e) the steps proposed by Government to formulate a "Code of Conduct" for Coast Guard in their dealings with fisherman?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) The Indian Coast Guard was constituted as a separate Armed Force of Union for ensuring the security of the

Maritime Zone of India with a view to the protection of maritime and other national interest in such zones and the matters connected therewith under the provisions of Coast Guard Act, 1978. While there is a distinct role of Coast Guard in maritime affairs, there is a synergy between the Indian Navy and the Indian Coast Guard. Coast Guard has its own organisation and force and no need has been felt to take personnel from other Para-Military Forces on deputation. Coast Guard is a disciplined Armed Force of the Union and there are clear guidelines for its personnel to conduct themselves in different scenario including dealing with fishermen.

Review on involvement of middleman in defence deals

2061. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government has decided to review the system of involving middlemen in the defence deal;

(b) if so, the details thereof including the reasons therefor; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) Defence Procurement Procedure (DPP) 2006 and Defence Procurement Manual (DPM 2006) under implementation with effect from 1st September 2006, provide for direct dealing with original Equipment Manufacturers (OEMs) or Authorised Vendors or Government sponsored Export Agencies (applicable in case of countries where domestic laws do not permit direct export by OEMs). Further, the procedures *inter-alia* incorporate provisions for penalties being imposed if any seller engages any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the Contract to the Seller.

Joint exercises with different countries

2062. SHRIMATI JAYA BACHCHAN: Will the Minister of DEFENCE be pleased to state:

(a) the names of countries with which India has conducted joint defence exercises in the last two years; and

(b) how India has benefited from these exercises?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) The names of countries with which India has conducted joint defence exercises in the last two years are USA, France, UK, Oman, Russia, Singapore, Thailand, China, Maldives and Mongolia.

(b) These exercises have helped in enhancing interoperability with defence forces of friendly foreign countries and in increasing military to military cooperation.

Troops deployed in UN peace keeping force

2063. SHRIMATI JAYA BACHCHAN: Will the Minister of DEFENCE be pleased to state:

(a) the countries where Indian troops are at present deployed as part of the UN peace keeping force;